150% - A Life Cycle View

Wood Mason
U.S. Department of Education
Federal Student Aid
Atlanta, GA
770.383.9662
wood.mason@ed.gov

Eric Hardy
U.S. Department of Education
Federal Student Aid
Washington, DC
202-257-2369
eric.hardy@ed.gov

Agenda

- Quick Review
- COD Processing
- NSLDS Processing
- CPS Processing

Public Law 112-141 limits first-time borrows' eligibility for subsidized loans and limits the interest subsidy for such borrowers on subsidized loans based on the student's program of study

- Affectionately called "SULA"
- Tracking and enforcement of the Direct Subsidized Loan Limitation, or SULA, will be accomplished by the COD system
- Modifications to the COD system to meet the legislative requirements have been implemented in two (2) phases

COD modifications to comply with SULA were completed in two phases

- COD implementation of SULA Phase 1 identified "first-time" borrowers
  - ✓A "first-time" borrower is one who had a $0 outstanding balance of principal or interest on a FFEL or Direct Loan on July 1, 2013 or on the date the borrower obtains a Direct Loan after July 1, 2013
- COD implementation of SULA Phase 2 facilitates monitoring "first-time borrowers" to evaluate how their borrowing for a particular program of study impacts their 150% limitation

150% limit is met and further eligibility is lost when Remaining Eligibility Period is zero (or less)

Maximum Eligibility Period (MEP) is 150% of the Published Program Length in which the borrower is currently enrolled

- Varies by program
- Measured in years or portions thereof
- COD (and NSLDS) calculates using school-reported data
  - ✓150% EA #17 posted to IFAP.ed.gov
    - ➢http://ifap.ed.gov/eannouncements/042015DSLL150PerEA17SchoolMisreportDataCODandNSLDS.html

A Subsidized Usage Period (SUP) is the period of time for which a borrower receives a Direct Subsidized Loan

- Calculated on a loan-by-loan basis
  - ✓Calculated using school-reported data
- Measured in academic years or portions thereof
- Rounded up or down to the nearest “tenth” of a year
- Includes ONLY periods when a Direct Subsidized Loan is received
- NOT related to loan amount
  - ✓One exception

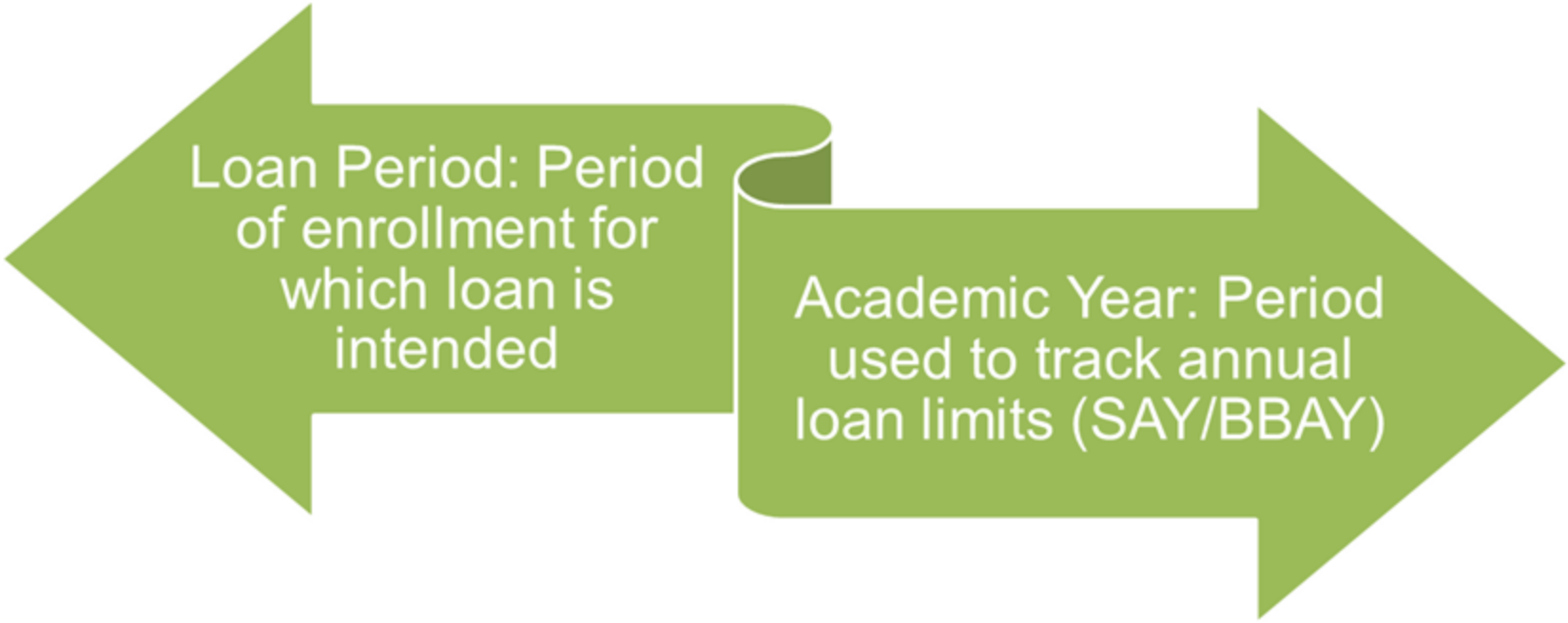
The exception occurs when the conditions below are met…

- The Direct Subsidized Loan amount is equal to the annual subsidized limit for his or her grade level

AND

- The loan period is less than the full academic year of the loan
- EXCEPTION: SUP = 1.0
  - ✓Pro-rated by enrollment status

$$\frac{\text{\# days in the loan period}}{\text{\# days in the academic year}} = \text{Subsidized Usage Period*}$$



*Pro-rated by enrollment status

Accurate reporting of the academic year begin/end dates is vital to an accurate SUP calculation

- Your Academic Year is school defined and must be…
  - ✓A minimum of 30 weeks of instruction and 24 semester (36 quarter) hours of credit for a credit hour based program

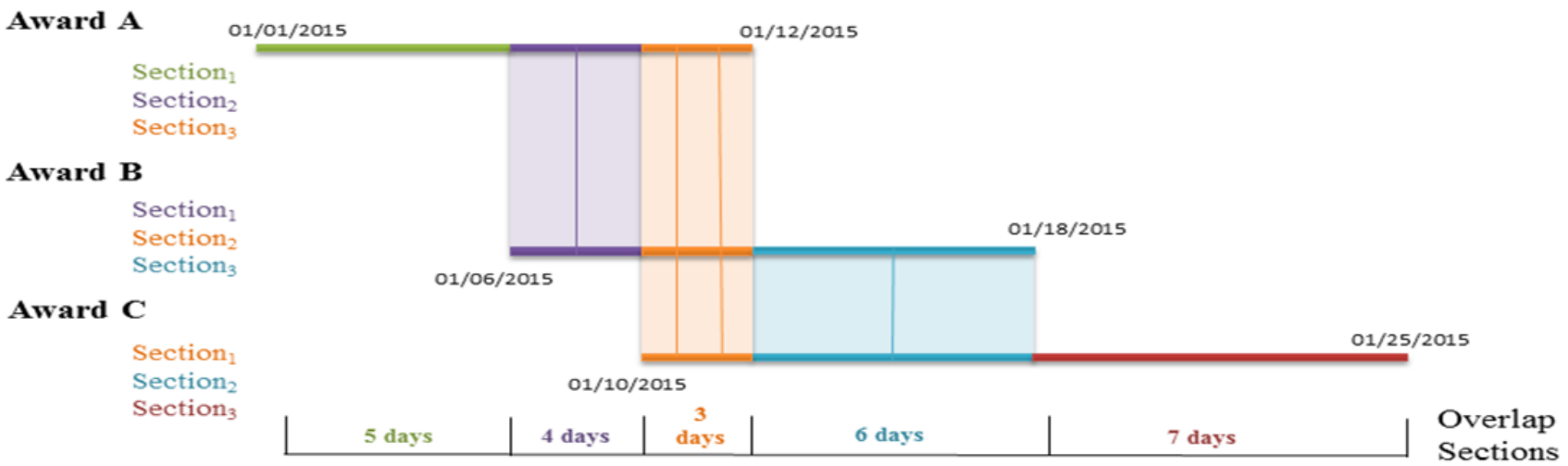
    OR

  - ✓26 weeks and 900 clock-hours of instruction for a program measured in clock-hours
- Make sure your academic year start/end dates correspond to the weeks in your academic year

Accurate reporting of the Financial Award begin/end dates (loan period) is vital to an accurate SUP calculation

- Required on ALL loan types for ALL loans first disbursed on or after July 1, 2013
- ONLY terms/payment periods that include a Direct Subsidized Loan are part of the SUP calculation
  - ✓Modify the loan period if appropriate
- Any anticipated disbursements NOT made MUST = $0
- Award amount MUST equal amount disbursed
- COD will ensure overlapping loan periods for multiple loans will be calculated accurately

Loan Period Length Overlap



Award A LPL= 5 + 2 + 1 =8
Award B LPL= 2 + 1 + 3 =6
Award C LPL= 1 + 3 + 7 =11
TOTAL =25

Payment Period

- Each Direct Subsidized Loan is divided into payment periods
  - ✓Disbursement level element
  - ✓Each payment period has a start date
  - ✓The period of time for which disbursed funds provide financial aid
  - ✓Can be more than one disbursement in a payment period
- Enrollment status can vary from payment period to payment period
  - ✓If enrollment status is ***inconsistent*** across all payment periods COD calculates SUP for EACH payment period

An Actual SUP will be calculated for EACH Direct Subsidized Loan for a borrower whose "SULA" flag is set to "YES" and…

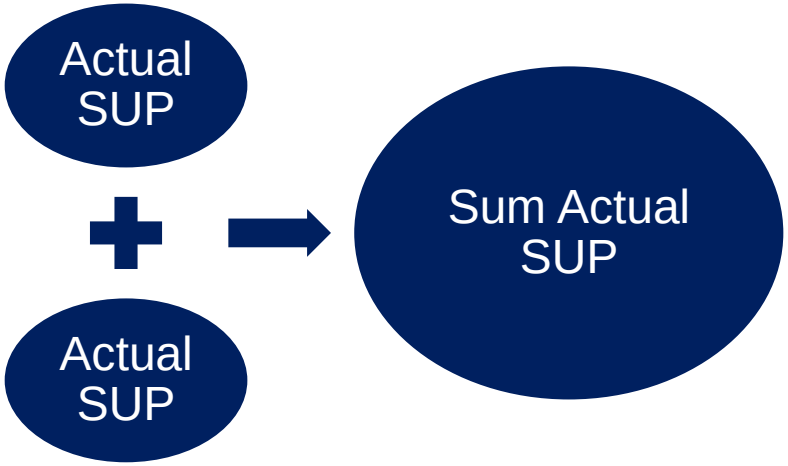
- At lease one disbursement is "Actual" (Disbursement Release Indicator = TRUE)
- If enrollment status is consistent across ALL payment periods…
  - ✓Actual SUP equals enrollment status x # of days in the loan period divided by the # of days in the academic year
- If enrollment status varies across payment periods…
  - ✓Actual SUP is the sum of all payment period SUPs

An Anticipated SUP will be calculated for EACH Direct Subsidized Loan for a borrower whose "SULA" flag is set to "YES" and…

- ALL Disbursement Release Indicators = FALSE
- If enrollment status is consistent across ALL payment periods…
  - ✓Anticipated SUP equals enrollment status x # of days in the loan period divided by the # of days in the academic year
- If enrollment status varies across payment periods…
  - ✓Anticipated SUP is the sum of all payment period SUPs

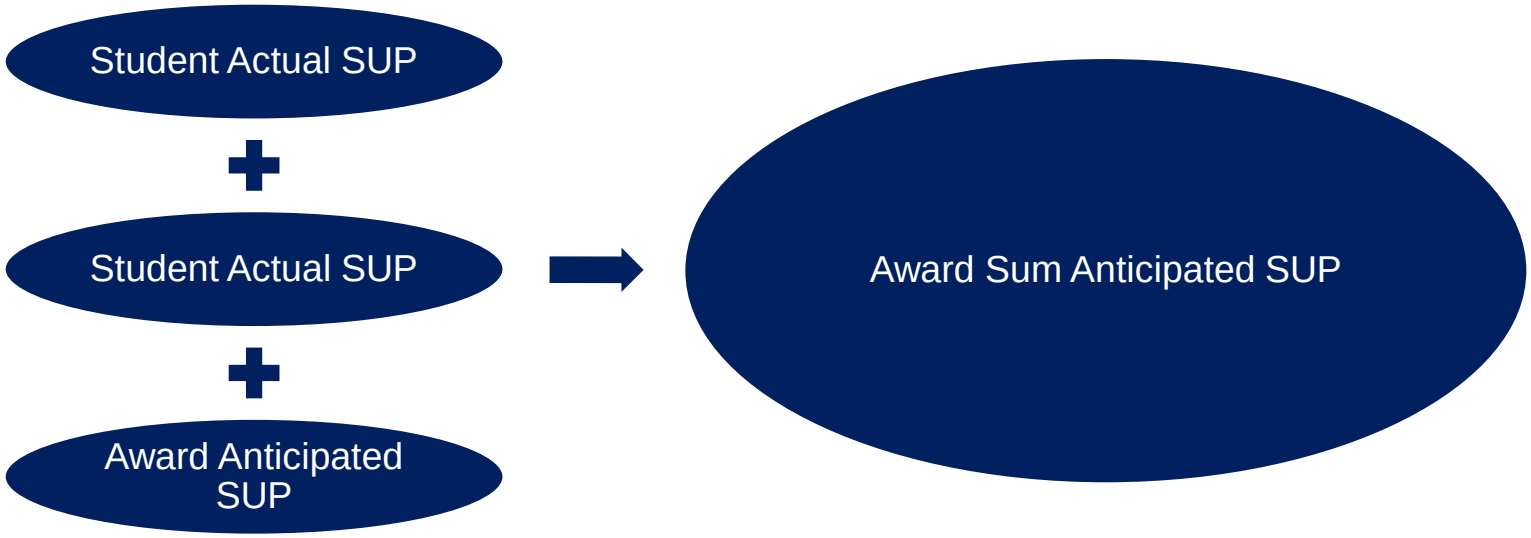
A Sum Actual SUP will be calculated, stored, and returned at the student level for a borrower whose SULA flag = “Yes”…

- Will include ALL Actual SUPs for that borrower
- Will NOT include any Anticipated SUPs



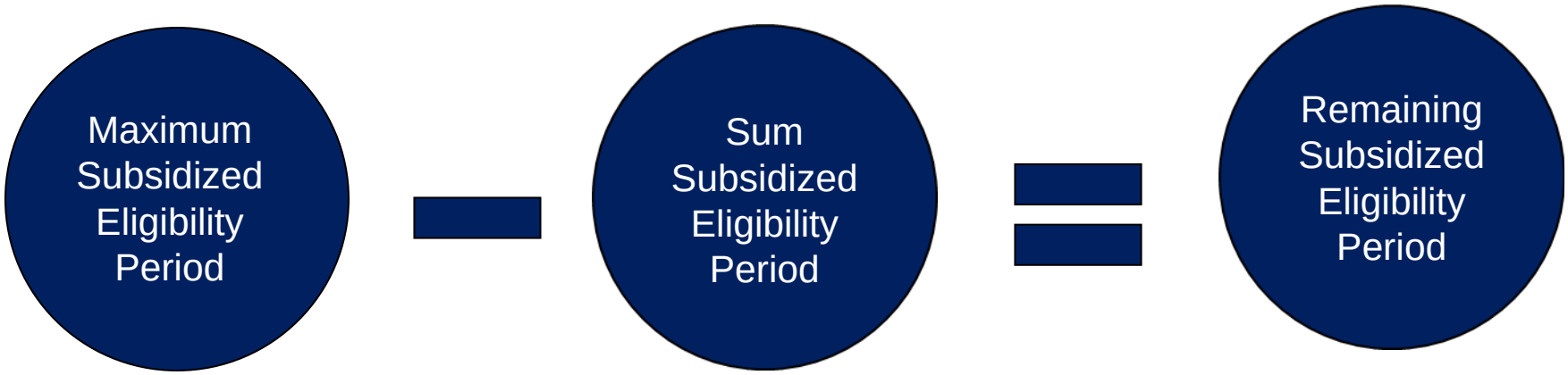
A Sum Anticipated SUP will include all Actual SUPs for that borrower AND the Anticipated SUP for that ***unique*** incoming award

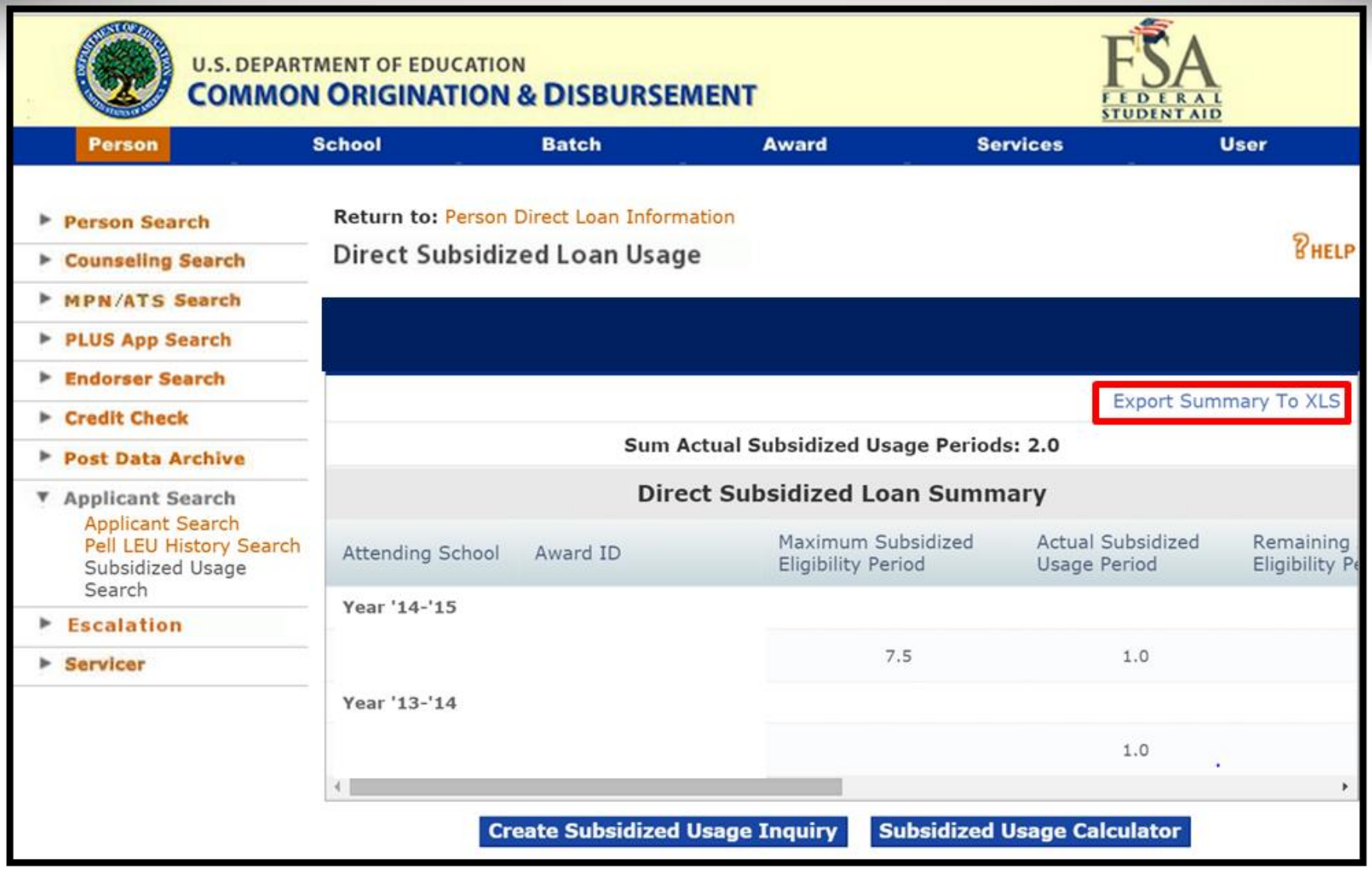
- Indicates what the Actual SUP would be if the anticipated disbursements were flagged DRI = TRUE



Remaining Anticipated and Actual Subsidized Eligibility Period SUPs for that borrower are calculated and re-calculated with each new award

- Stored at the award level




U.S. DEPARTMENT OF EDUCATION
COMMON ORIGINATION & DISBURSEMENT
FSA FEDERAL STUDENT AID
Person
School
Batch
Award
Services
User
Person Search
Counseling Search
MPN/ATS Search
PLUS App Search
Endorser Search
Credit Check
Post Data Archive
Applicant Search
Applicant Search
Pell LEU History Search
Subsidized Usage Search
Escalation
Servicer
Return to: Person Direct Loan Information
Direct Subsidized Loan Usage
HELP
Export Summary To XLS
Sum Actual Subsidized Usage Periods: 2.0
Direct Subsidized Loan Summary
Attending School
Award ID
Maximum Subsidized Eligibility Period
Actual Subsidized Usage Period
Remaining Eligibility Pe
Year '14-'15
7.5
1.0
Year '13-'14
1.0
Create Subsidized Usage Inquiry
Subsidized Usage Calculator

Direct Subsidized Loan Usage exported to an Excel spreadsheet

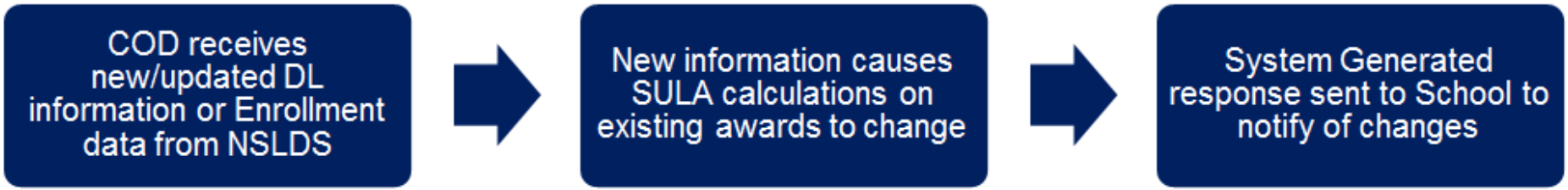
	A	B	C	D	E
1			**Direct Subsidized Loan Usage**		
2	Wyatt Williams				
3	xxxxxxxxx				
4	1/12/1942				
5			**Sum Actual Subsidized Usage Period: 2.0**		
6			**Direct Subsidized Loan Summary**		
7					
8	**Attending School**	**Award ID**	**Maximum Subsidized Eligibility Period**	**Actual Subsidized Usage Period**	**Remaining Actual Subsidized Eligibility Period**
9	**Year '14-'15**				
10	University of Ideation	xxxxxxxxxS15Gxxxxx001	7.5	1.0	5.5
11	**Year '13-'14**				
12	University of Ideation	xxxxxxxxxS14Gxxxxx001		1.0	
13					
14					
15					

If an incoming DL Subsidized award origination causes the **Anticipated** or **Actual** Remaining Subsidized Usage Period on the award being processed to be less than zero, the award will be rejected with COD Reject Edit Code #206

- Remaining Subsidized Eligibility Period is less than zero for this award

COD will send a system-generated response to an incoming Direct Subsidized Loan if a change at the Person, Award, or Disbursement level data changes the SULA calculation

- Award year specific
- Sent to the SAIG mailbox of the reporting school where re-calculation of SULA data results in a change
- Message Class
  - ✓Doc Type SU



COD generates The Direct Subsidized Loan Usage Change Report when there is a change to a borrower's SULA calculated values

- Triggers on a change to…
  - ✓Maximum Subsidized Eligibility Period
  - ✓Actual Subsidized Usage Period
  - ✓Actual Non-Cred Teacher Cert Subsidized Usage Period
  - ✓Anticipated Subsidized Usage Period
  - ✓Anticipated Non-Cred Teacher Cert Subsidized Usage Period
- Sent to all schools meeting the above triggers for the borrower
  - ✓Contains ONLY prior week changes
  - ✓Award year specific

COD sends Direct Loan data to NSLDS on a daily basis to be used by NSLDS for SULA calculation purposes

- Used by NSLDS to calculate eligibility for continued subsidy
- Includes student, award, and disbursement data from prior-day COD processing
  - ✓Subsidized, Unsubsidized, and Direct PLUS Loan data

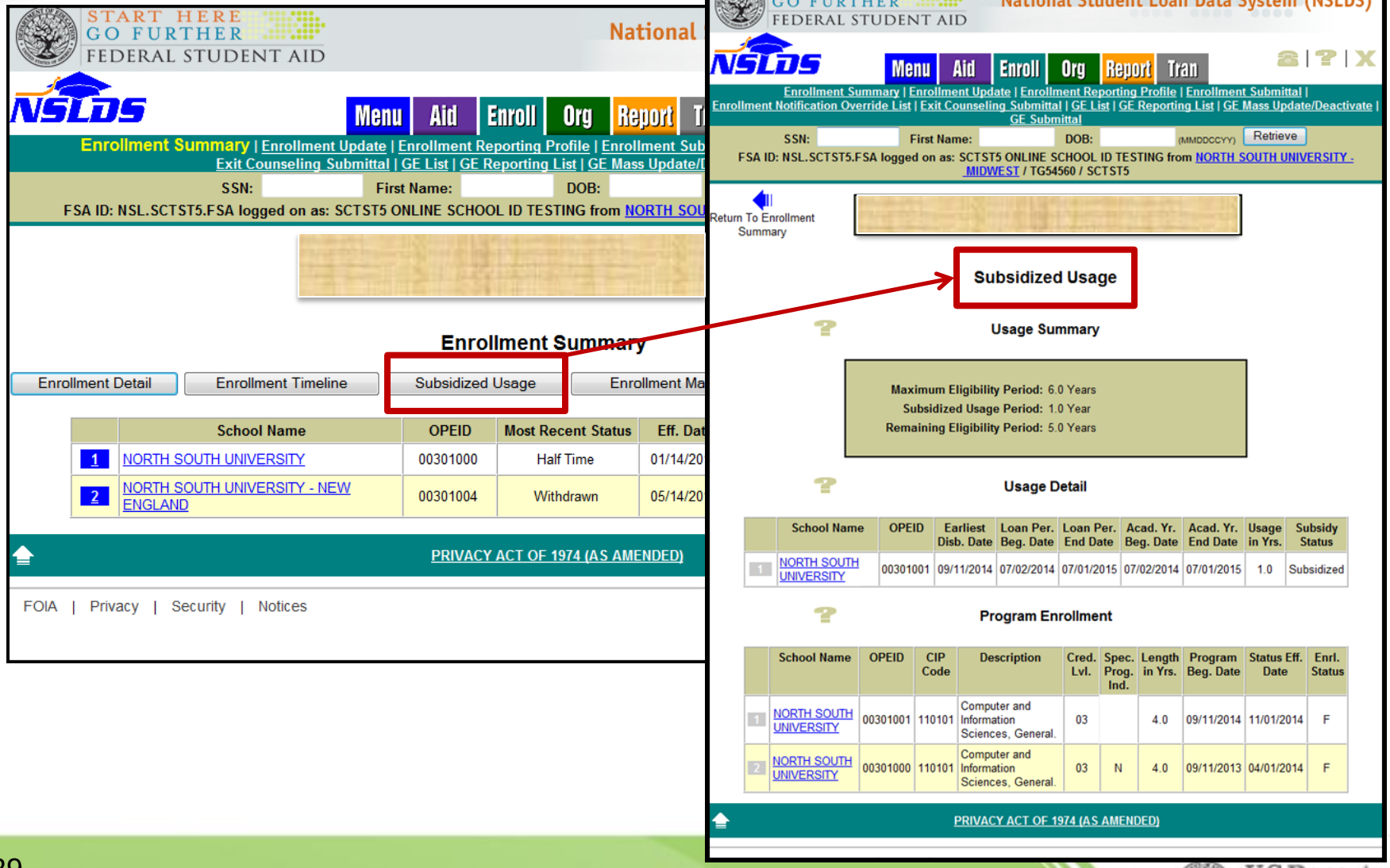
NSLDS – Display SULA Flag

- Display of Subsidized Usage Limit Applies (SULA) Flag
  - Indicates whether the borrower is subject to the 150% Direct Subsidized Loan Limit provision
  - Sent to NSLDS by Federal Loan Servicers after the SULA Flag is received from the COD

Subsidized Usage Web Page

- A link to the Subsidized Usage Page has been added under the Enrollment Summary page

- The Subsidized Usage Page displays information about a student's:
  - Maximum Eligibility Period
  - Subsidized Usage Period
    - Sum SUP
    - Loan-Level SUP
    - Program-level Enrollment
  - Remaining Eligibility Period


START HERE GO FURTHER FEDERAL STUDENT AID
National Student Loan Data System (NSLDS)
NSLDS
Menu Aid Enroll Org Report Tran
Enrollment Summary | Enrollment Update | Enrollment Reporting Profile | Enrollment Submittal | Enrollment Notification Override List | Exit Counseling Submittal | GE List | GE Reporting List | GE Mass Update/Deactivate | GE Submittal
SSN: First Name: DOB: (MMDDCCYY) Retrieve
FSA ID: NSL.SCTST5.FSA logged on as: SCTST5 ONLINE SCHOOL ID TESTING from NORTH SOUTH UNIVERSITY - MIDWEST / TG54560 / SCTST5
Return To Enrollment Summary
Subsidized Usage
Usage Summary
Maximum Eligibility Period: 6.0 Years
Subsidized Usage Period: 1.0 Year
Remaining Eligibility Period: 5.0 Years
Usage Detail
School Name | OPEID | Earliest Disb. Date | Loan Per. Beg. Date | Loan Per. End Date | Acad. Yr. Beg. Date | Acad. Yr. End Date | Usage in Yrs. | Subsidy Status
1 NORTH SOUTH UNIVERSITY | 00301001 | 09/11/2014 | 07/02/2014 | 07/01/2015 | 07/02/2014 | 07/01/2015 | 1.0 | Subsidized
Program Enrollment
School Name | OPEID | CIP Code | Description | Cred. Lvl. | Spec. Prog. Ind. | Length in Yrs. | Program Beg. Date | Status Eff. Date | Enrl. Status
1 NORTH SOUTH UNIVERSITY | 00301001 | 110101 | Computer and Information Sciences, General. | 03 | | 4.0 | 09/11/2014 | 11/01/2014 | F
2 NORTH SOUTH UNIVERSITY | 00301000 | 110101 | Computer and Information Sciences, General. | 03 | N | 4.0 | 09/11/2013 | 04/01/2014 | F
PRIVACY ACT OF 1974 (AS AMENDED)
Enrollment Summary
Enrollment Detail | Enrollment Timeline | Subsidized Usage | Enrollment Ma
School Name | OPEID | Most Recent Status | Eff. Dat
1 NORTH SOUTH UNIVERSITY | 00301000 | Half Time | 01/14/20
2 NORTH SOUTH UNIVERSITY - NEW ENGLAND | 00301004 | Withdrawn | 05/14/20
FOIA | Privacy | Security | Notices

NSLDS – Maximum Eligibility Period

- The Maximum Eligibility Period is 150% of the published length of borrower's current educational program.
  - Calculated by COD based on disbursement records
  - Multiply published length of program by 1.5
  - NSLDS will calculate using Enrollment Reporting information
  - Schools will be required to report individual student's program-level enrollment data

    to NSLDS

NSLDS – Maximum Eligibility Period

School sends Enrollment School Code on grant and loan disbursement records to COD.

COD sends grant and loan data to NSLDS and Federal Loan Servicers

NSLDS uses the Enrollment School Code from COD and Servicers to place aid recipients on Enrollment Rosters

NSLDS sends the Enrollment Roster to the School

School Responds with Certified Enrollment

Maximum Eligibility Period (MEP)

START HERE GO FURTHER FEDERAL STUDENT AID — National Student

NSLDS | Menu | Aid | Enroll | Org | Repo

Enrollment Summary | Enrollment Update | Enrollment Reporting
Enrollment Notification Override List | Exit Counseling Submittal | GE List | GE GE Submittal

SSN: First Name: DOB:

FSA ID: NSL.SCTST5.FSA logged on as: SCTST5 ONLINE SCHOOL ID TES MIDWEST / TG54560 / SCTST5

Return To Enrollment Summary

Subsidized Usage

Usage Summary

Maximum Eligibility Period: 6.0 Years
Subsidized Usage Period: 1.0 Year
Remaining Eligibility Period: 5.0 Years

Usage Detail

	School Name	OPEID	Earliest Disb. Date	Loan Per. Beg. Date	Loan Per. End Date	Ac Be
1	NORTH SOUTH UNIVERSITY	00301001	09/11/2014	07/02/2014	07/01/2015	07/

Program Enrollment

	School Name	OPEID	CIP Code	Description	Cred. Lvl.	Spec. Prog. Ind.
1	NORTH SOUTH UNIVERSITY	00301001	110101	Computer and Information Sciences, General.	03	
2	NORTH SOUTH UNIVERSITY	00301000	110101	Computer and Information Sciences, General.	03	N

PRIVACY ACT OF 1974 (AS AMEND

Subsidized Usage

Usage Summary

Maximum Eligibility Period: 6.0 Years
Subsidized Usage Period: 1.0 Year
Remaining Eligibility Period: 5.0 Years

Program Enrollment

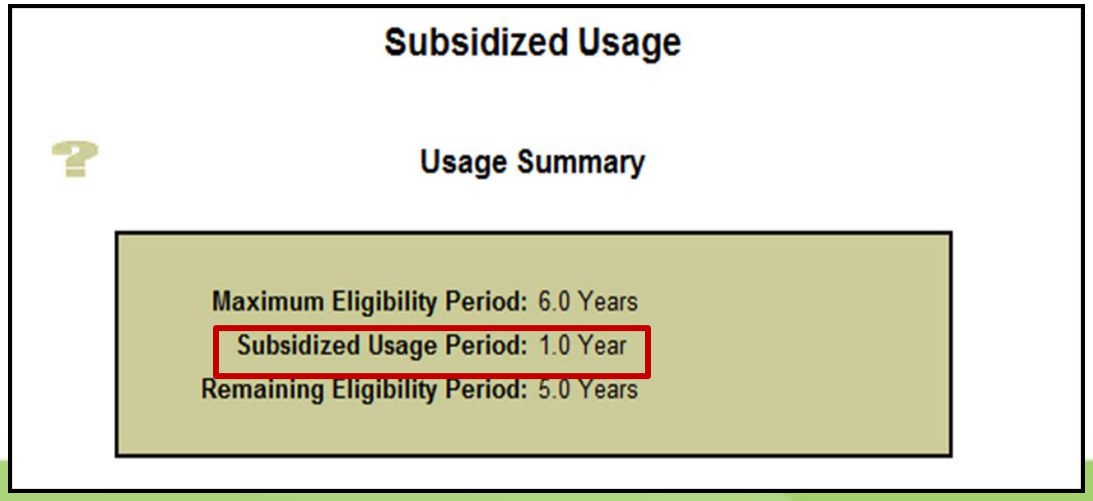
	School Name	OPEID	CIP Code	Description	Cred. Lvl.	Spec. Prog. Ind.	Length in Yrs.	Program Beg. Date	Status Eff. Date	Enrl. Status
1	NORTH SOUTH UNIVERSITY	00301001	110101	Computer and Information Sciences, General.	03		4.0	09/11/2014	11/01/2014	F
2	NORTH SOUTH UNIVERSITY	00301000	110101	Computer and Information Sciences, General.	03	N	4.0	09/11/2013	04/01/2014	F

PRIVACY ACT OF 1974 (AS AMENDED)

U.S. Department of Education

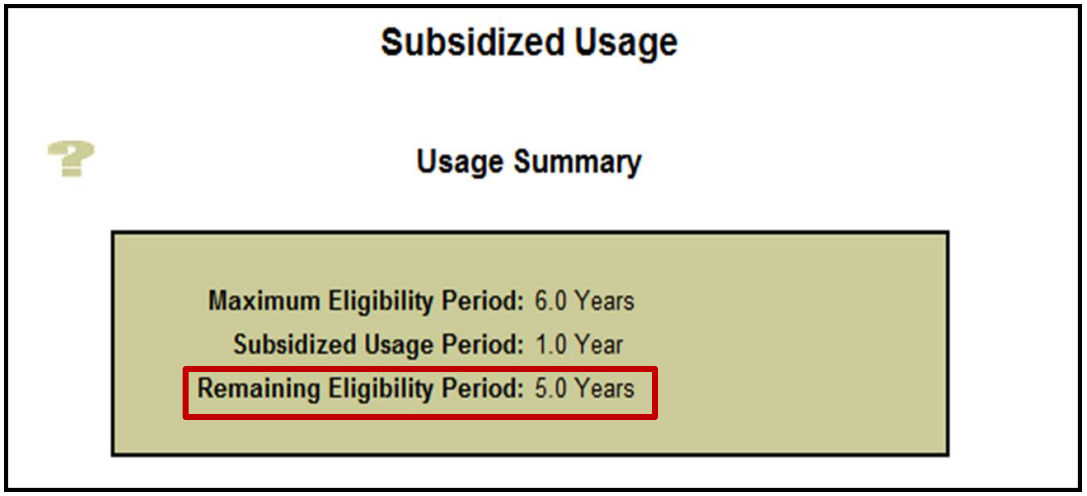
NSLDS - Subsidized Usage Period

- **Subsidized Usage Period (SUP)** – Calculated by COD and sent to NSLDS
  - COD calculates the Subsidized Usage Period (SUP) for each loan and sends to NSLDS
    - NSLDS displays the SUP on the NSLDS websites
    - NSLDS includes the SUP in TSM, FAH, and select NSLDS Reports



Total Subsidized Usage Period (SUP)

NSLDS - Remaining Eligibility Period

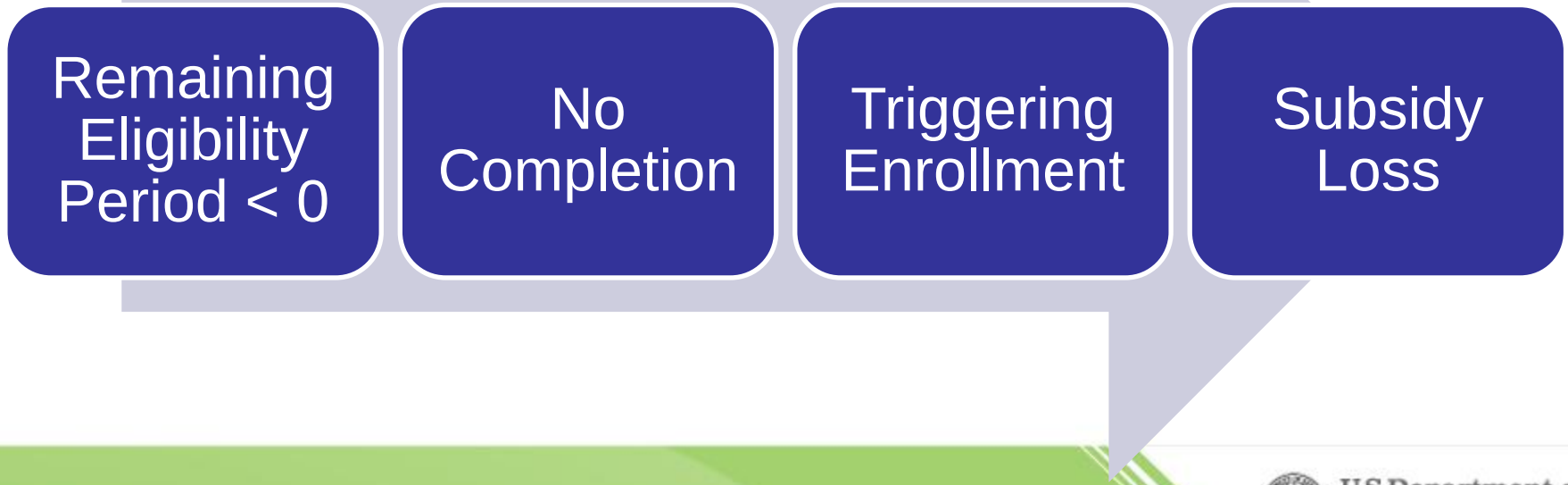


Remaining Eligibility Period (REP)

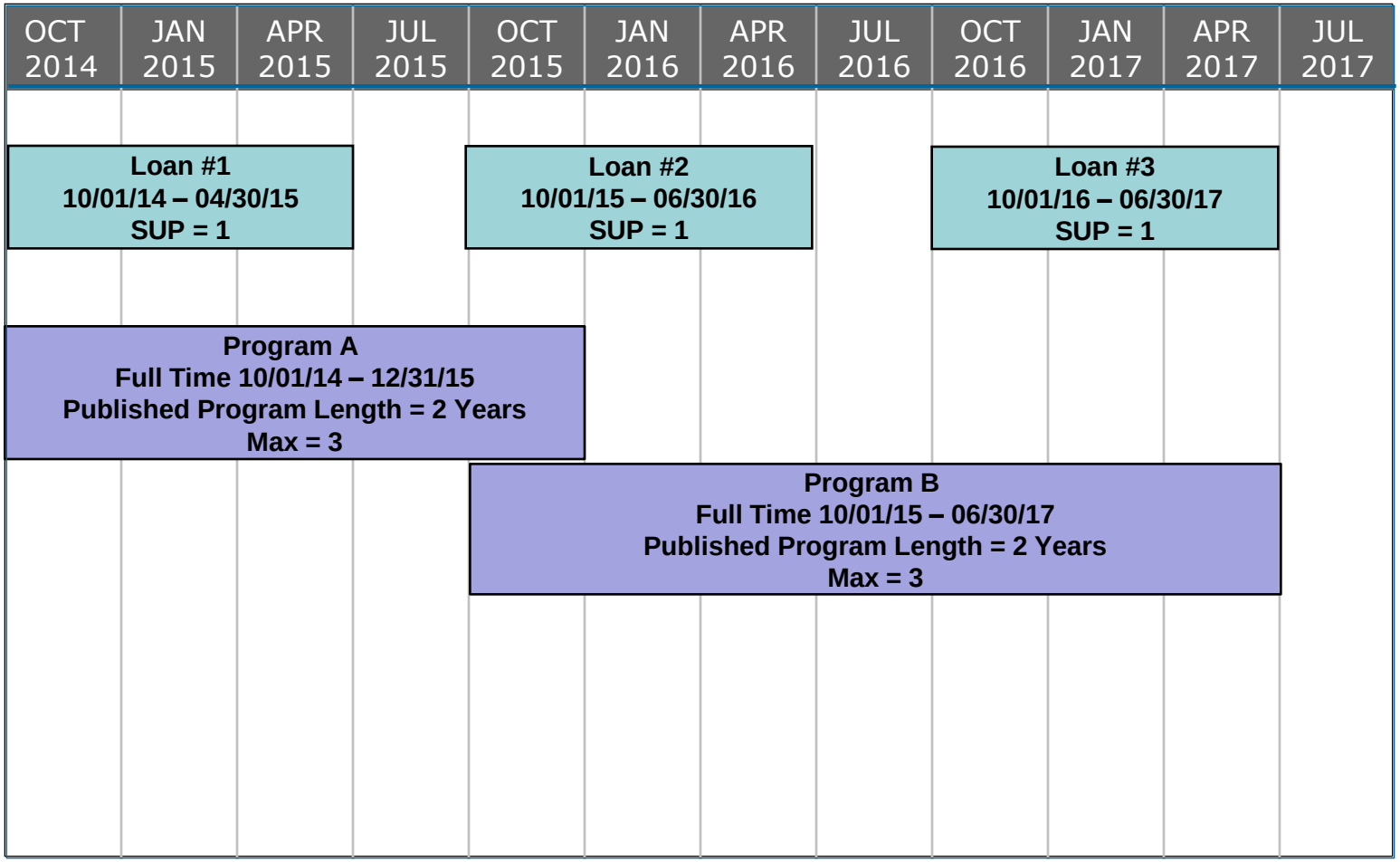
- **Remaining Eligibility Period (REP)** – Difference between MEP and SUP, calculated by NSLDS
- NSLDS determines if Loss of Interest Subsidy should occur on a borrower's loan based on the borrower's Remaining Eligibility Period (REP) and the borrower's program-level enrollment status

NSLDS – Loss of Subsidy

NSLDS determines if Loss of Interest Subsidy should occur on a borrower's loan based on the borrower's Remaining Eligibility Period (REP) and program-level enrollment status.

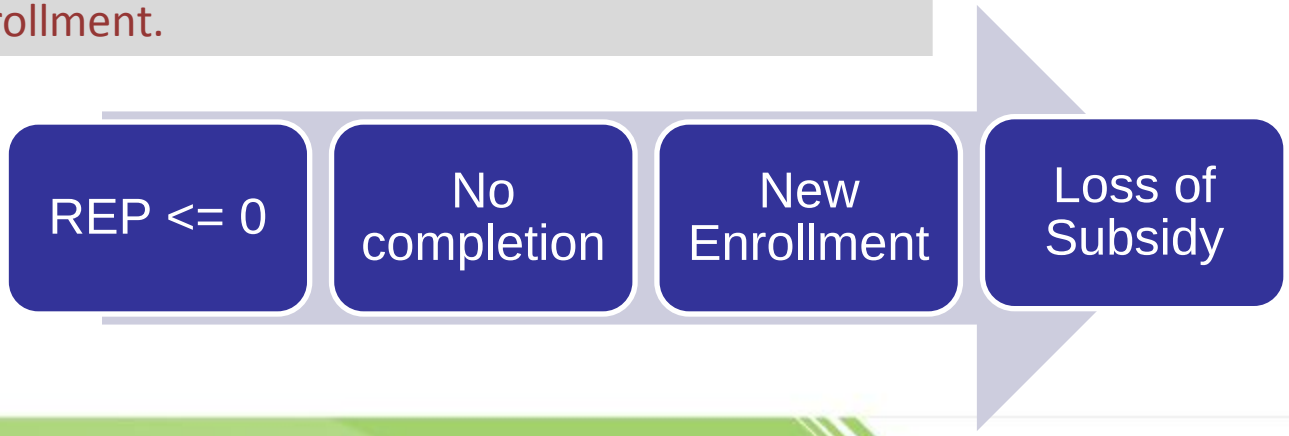


Example #1 – No Loss of Subsidy

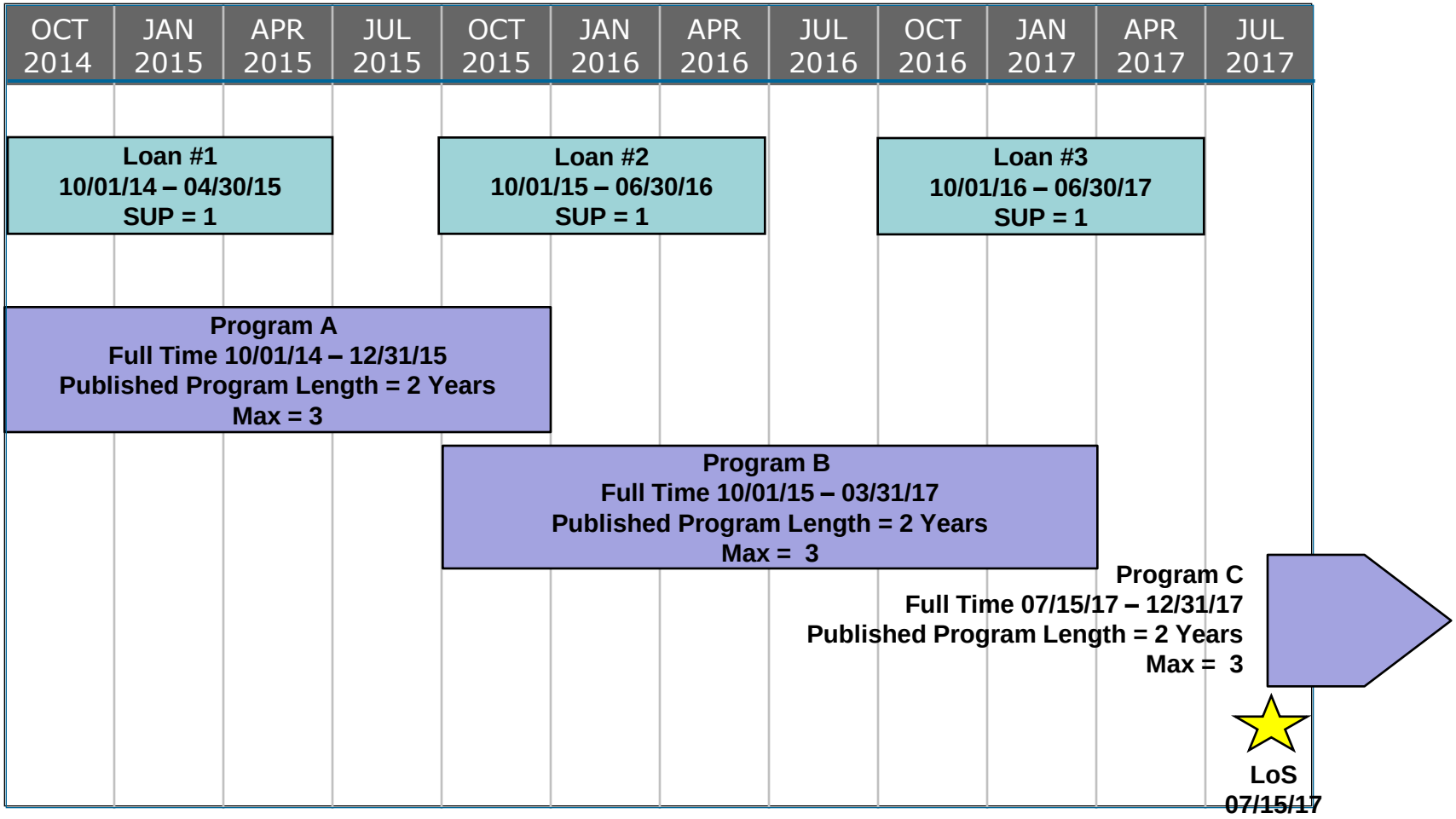


Example #1 – No Loss of Subsidy

Borrower's Condition at the End of the Loan Period	
Is the REP <= 0?	Yes
Is the Loan Period Begin Date earlier than a graduation?	No
Is there new qualifying enrollment?	No
This borrower does not lose subsidy on their loans as there is no qualifying enrollment.	

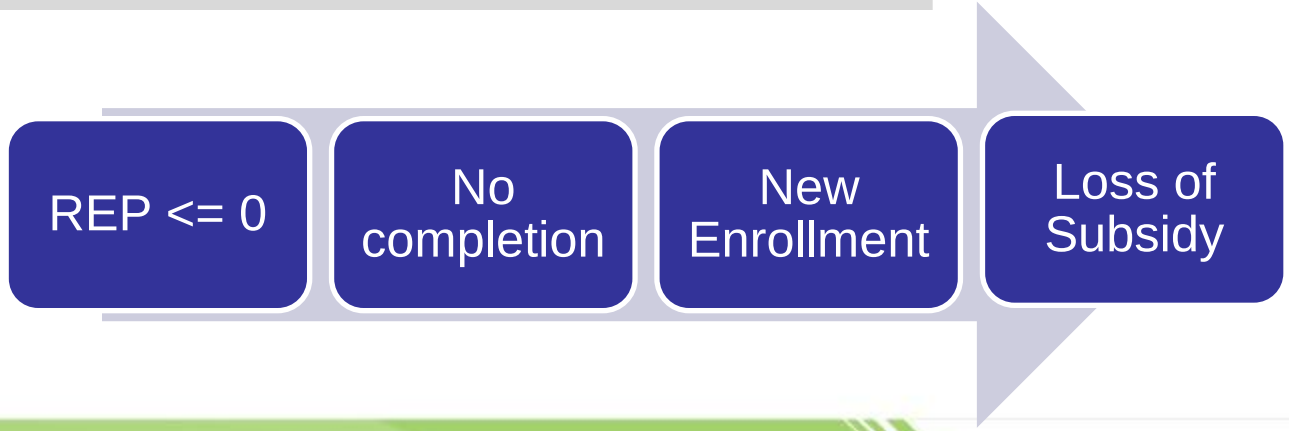


Example #2 - New Enrollment After Loan Period

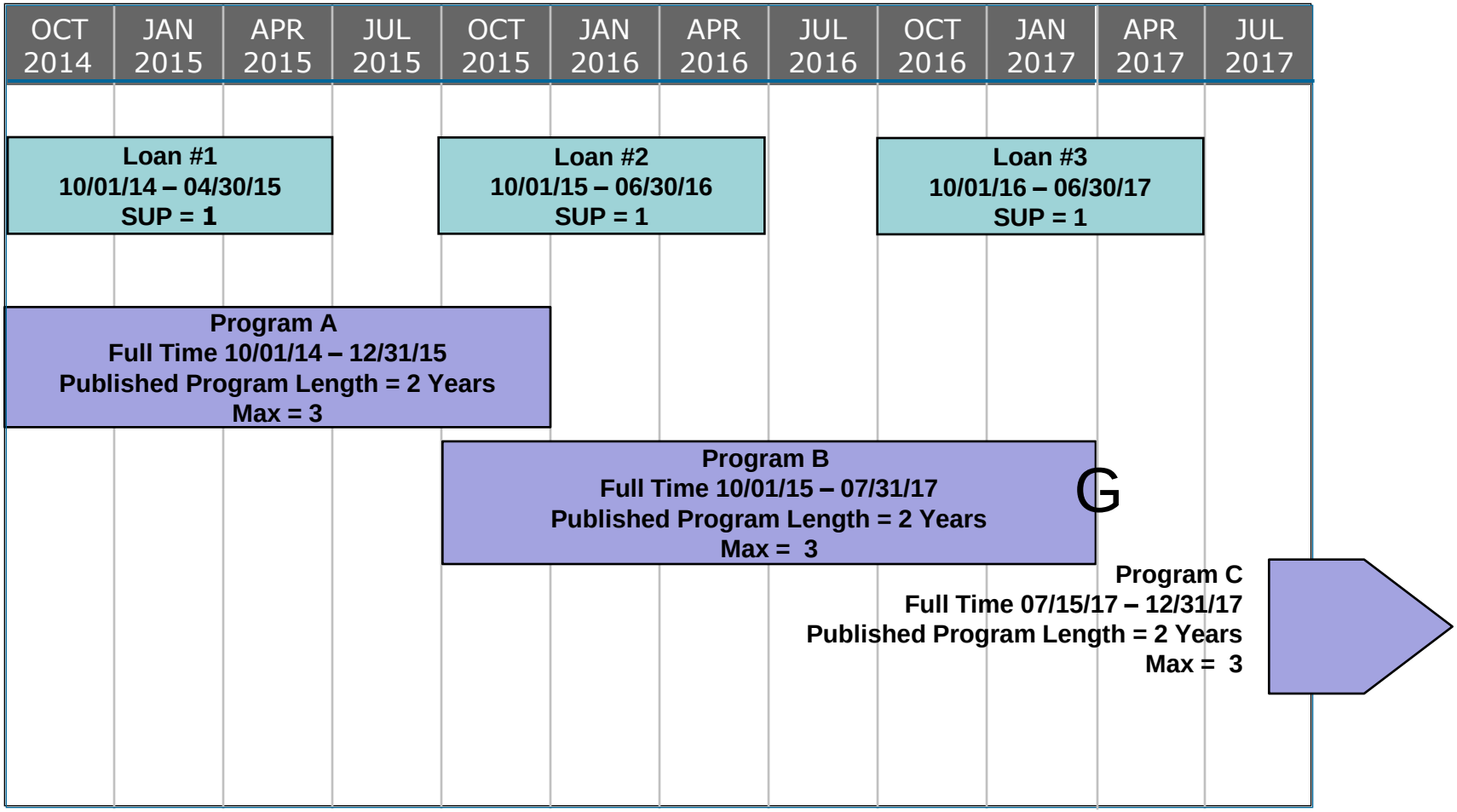


Example #2 – New Enrollment after Loan Period

Borrower's Condition at the End of the Loan Period	
Is the REP <= 0?	Yes
Is the Loan Period Begin Date earlier than a graduation?	No
Is there new qualifying enrollment?	Yes
This borrower loses subsidy on their loans effective on the first day of qualifying enrollment.	

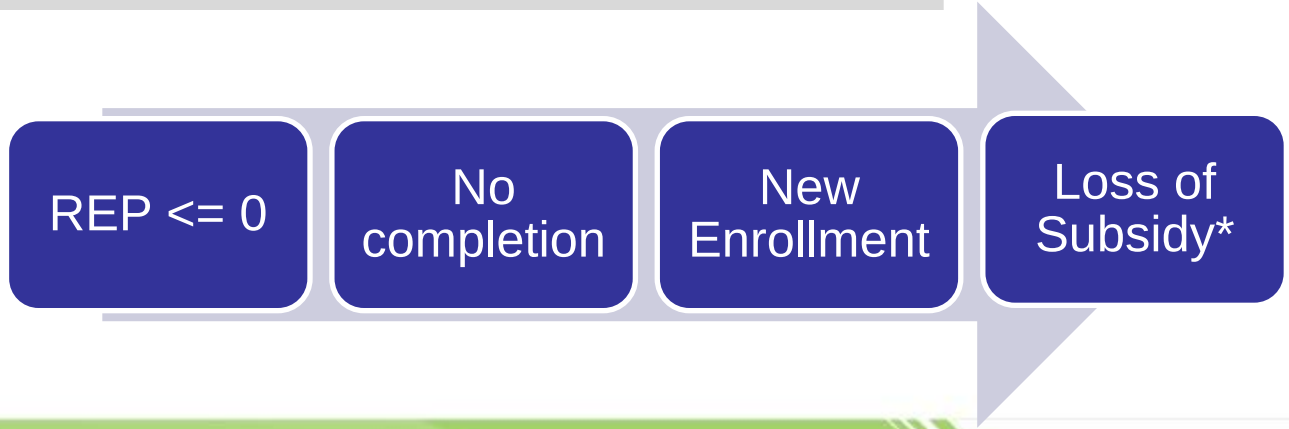


Example #3 - Subsidy Protected by Graduation



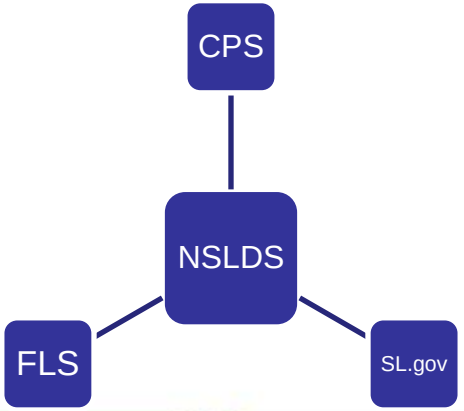
Example #3 – Subsidy Protected by Graduation

Borrower's Condition at the End of the Loan Period	
Is the REP <= 0?	Yes
Is the Loan Period Begin Date earlier than a gradation?	Yes
Is there new qualifying enrollment on the day after the end of the loan period?	Yes
This borrower does not lose subsidy on any loan with a Loan Period Begin Date earlier than the Graduation Date.	

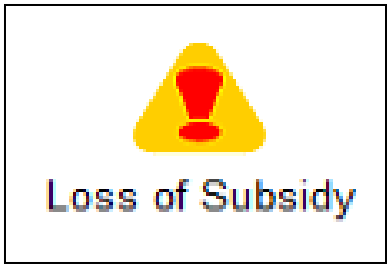


NSLDS – Loss of Subsidy

- NSLDS distributes LOS data to the federal loan servicers daily
- Federal loan servicers apply the LOS and respond to NSLDS weekly
  - LOS data is displayed on NSLDS after the federal loan servicer responds
  - LOS data is sent to CPS and studentoans.gov



NSLDS – Loss of Subsidy



- The NSLDS FAP now displays the new Loss of Subsidy warning icon for borrowers who have lost interest subsidy any:
  - D0 - Direct Stafford Subsidized (SULA Eligible) loans
  - D9 - Direct Consolidation Subsidized (SULA Eligible) loans
- A field has been added to Loan Summary for (D0) and (D9) loans to display the status of the interest subsidy:

1	D0 - DIRECT STAFFORD SUB (SULA ELIGIBLE) Status: IA as of 09/15/2013							Loan Detail
	NORTH SOUTH UNIVERSITY							
Approved Amt:	$1,625	Disbursed Amt:	$813	OPB:	$813	Agg. OPB:	$813	
Loan Date:	09/15/2013	Sep. Loan Ind:	A	Loan Period:	09/15/2013 - 05/15/2014			
Last Disb. Date:	10/01/2013	Last Disb. Amt:	$813	Acad. Lv:	1	Loss of Sub:	Y	
ED Servicer:	DIRECT LOAN SERVICING CENTER (ACS) 67890 - 583							

CPS Impacts

- Identify “first-time borrower” starting July 1, 2013
- Continuously monitor “first-time borrower” enrollment to evaluate future enrollment impacts to students’ 150% limitations

CPS Impacts: First-Time Borrower

The following NSLDS fields were added to the ISIR record:

Added	FIELD #	Value
Subsidized Usage Limit Applies Flag (SULA)	444	Y/N
Subsidized Loan Eligibility Used field (SLEU)	445	999v999

- A SAR Comment 267 will be triggered when SULA Flag is set to Y
  - *There is a limit to the total amount of subsidized Federal student loans that you may receive. Please refer to studentaid.gov under Types of Aid, Loans for more information*
- Reason Code 25 will be added to the NSLDS Post-screening for a Subsidized Usage Limit Applies Flag status change

CPS Impacts

- NSLDS added two new Loan Types in order for servicers to track which loans should be adjusted when losing subsidy.

NSLDS Loan Program Codes	Definition
D9	Direct Consolidated Stafford Subsidized Loan where all or an underlying portion of the consolation loan is eligible for loss of subsidy under the 150% Regulation
D0	Direct Stafford Subsidized Loan subject to the 150% regulation

CPS Impacts: Beginning 2015-16

New NSLDS Post screening Reason Codes:

Post screening Reason Code	Definition
26	Created to monitor for a change in Confirmed Loan Subsidy Status
27	Created to monitor for decreases in the Subsidized Usage Period

QUESTIONS?